

**Caution: DRAFT FORM**

This is an advance draft copy of a California tax form. It is subject to change and FTB approval before it is officially released.

If you have any comments on this draft form, you can submit them to us on our website at [www.ftb.ca.gov/forms/drafts/index.html](http://www.ftb.ca.gov/forms/drafts/index.html).

# Instructions for Form FTB 3539

## Payment for Automatic Extension for Corporations and Exempt Organizations

### General Information

Use form FTB 3539, Payment for Automatic Extension for Corps and Exempt Orgs, **only** if both of the following apply:

- The corporation or exempt organization cannot file its 2008 California (CA) tax return by the original due date.
- The corporation or exempt organization owes tax for the 2008 taxable year.

Use the worksheet on the next page to determine if the corporation or exempt organization owes tax.

- If the corporation or exempt organization does not owe tax, there is nothing to file at this time. Do **not** complete form FTB 3539. However, the corporation or exempt organization must file its return by the extended due date listed below.
- If the corporation or exempt organization owes tax, complete form FTB 3539 and mail it along with the check or money order to the Franchise Tax Board (FTB) by the original due date of the return to avoid late payment penalties and interest. See Penalties and Interest Section on next page for more information. If the corporation or exempt organization is required to pay by electronic fund transfer (EFT), see Electronic Funds Transfer Section for more information.

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

If a corporation (including real estate investment trusts (REITs), real estate mortgage investment conduits (REMICs), regulated investment

companies (RICs), limited liability companies (LLCs) electing to be treated as corporations, or an exempt organization in good standing) cannot file its CA tax return by the original due date, a seven-month extension to file is granted without submitting a written request. To qualify for the automatic extension, the corporation or exempt organization must file its CA tax return by the extended due date and its powers, rights, and privileges must not be suspended or forfeited by the FTB or the California Secretary of State (SOS) as of the original due date.

### Electronic Funds Transfer

Corporations or exempt organizations that meet certain requirements must remit all of their payments through EFT rather than by paper checks or money orders to avoid the EFT penalty.

Corporations or exempt organizations that remit an estimated tax payment or extension payment in excess of \$20,000 or that have a total tax liability in excess of \$80,000 must remit all of their payments through EFT. The FTB notifies corporations or exempt organizations that are subject to this requirement. Those that do not meet these requirements and wish to participate on a voluntary basis may do so.

If the corporation or exempt organization is paying through EFT, complete the worksheet for the corporation's or exempt organization's records. **Do Not Mail form FTB 3539.** For more information, go to our website at [ftb.ca.gov](http://ftb.ca.gov) and search for EFT, call 916.845.4025, or get FTB Pub. 3817, Electronic Funds Transfer Program Information Guide.

**Payment of Tax Due Dates:** To avoid late payment penalties and interest, 100% of the tax liability must be paid by the following dates (see item 4 for exception):

#### Form Filed

- Form 100, 100W, or 100S
- Form 100 for farmers' cooperative
- Form 199 or 109, generally
- Form 109 for employee's trust (IRC 401(a)) or IRA

#### Calendar Year Filers

- March 16, 2009
- September 15, 2009
- May 15, 2009
- April 15, 2009

#### Fiscal Year Filers: 15th day of the

- 3rd month following the close of the taxable year
- 9th month following the close of the taxable year
- 5th month following the close of the taxable year
- 4th month following the close of the taxable year

**Extended Filing Dates:** The extended date for filing the return is as follows:

#### Form Filed

- Form 100, 100W, or 100S
- Form 100 for farmers' cooperative
- Form 199 or 109, generally
- Form 109 for employee's trust (IRC 401(a)) or IRA

#### Calendar Year Filers

- October 15, 2009
- April 15, 2010
- December 15, 2009
- November 16, 2009

#### Fiscal Year Filers: 15th day of the

- 10th month following the close of the taxable year
- 16th month following the close of the taxable year
- 12th month following the close of the taxable year
- 11th month following the close of the taxable year

1. An extension of time to file the CA tax return is **not** an extension of time to pay the tax.
2. When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.
3. Save the completed worksheet as a permanent part of the corporation's or exempt organization's tax records, along with a copy of the CA tax return.
4. The FTB may waive the late payment penalty based on reasonable cause if 90% of the tax shown on the return is paid by the original due date of the return, but not less than the minimum franchise tax if applicable.

\_\_\_\_ DETACH HERE \_\_\_\_\_ IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM \_\_\_\_\_ DETACH HERE \_\_\_\_\_

(Calendar year corporations — File and Pay by March 16, 2009) (Fiscal year filers — see instructions)

(Employees' trust and IRA — File and Pay by April 15, 2009)

(Calendar year exempt organizations — File and Pay by May 15, 2009)

TAXABLE YEAR

**2008**

## Payment for Automatic Extension for Corps and Exempt Orgs

CALIFORNIA FORM

**3539 (CORP)**

For calendar year 2008 or fiscal year beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.

California corporation number \_\_\_\_\_ FEIN \_\_\_\_\_

This entity will file Form:

☐ 100, 100W, or 100S ☐ 109 ☐ 199

Corporation/exempt organization name \_\_\_\_\_

Address (including suite, room, or PMB no.) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

Contact telephone no. \_\_\_\_\_

IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM

Amount of payment \_\_\_\_\_

( ) \_\_\_\_\_

00

## Where to File

If tax is due and the corporation or exempt organization is not paying through EFT, make a check or money order payable to the "Franchise Tax Board" for the amount of the tax due. Write the California corporation number or FEIN and "2008 FTB 3539" on the check or money order. Enclose, but do **not** staple, the payment with the form FTB 3539 and mail to:

FRANCHISE TAX BOARD  
PO BOX 942857  
SACRAMENTO CA 94257-0551

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

### Private Mail Box

Include the Private Mail Box (PMB) in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

## Penalties and Interest

- If the corporation or exempt organization fails to pay its total tax liability by the original due date, the corporation or exempt organization will incur a late payment penalty plus interest. If the corporation or exempt organization paid at least 90% of the tax shown on the return by the original due date of the return, but not less than the minimum franchise tax if applicable, the FTB will waive the penalty based on reasonable cause. However, the imposition of interest is mandatory.
- If the corporation or exempt organization does not file its CA tax return by the extended due date, or the corporation's powers, rights, and privileges have been suspended or forfeited by the FTB or the California SOS, as of the original due date, the automatic extension will not apply and a delinquency penalty plus interest will be assessed from the original due date of the CA tax return.
- If the corporation or exempt organization is required to remit all of its payments through EFT and pays by another method, a 10% non-compliance penalty will be assessed.

## Combined Reports

- If members of a combined unitary group have made or intend to make an election to file a combined unitary group single return, only the key corporation designated to file the return should submit form FTB 3539. The key corporation must include payment of at least the minimum franchise tax for each corporation of the combined unitary group that is subject to the franchise tax in California.
- If members of a combined unitary group intend to file separate returns with the FTB, each member must submit its own form FTB 3539 if there is an amount entered on line 3 of the Tax Payment Worksheet.
- If any member of a combined unitary group meets the requirements for mandatory EFT, all members must remit their payments through EFT, regardless of their filing election.

## Exempt Organizations

- Form 100 filers:**  
The due dates for corporations also apply to the filing of Form 100, California Corporation Franchise or Income Tax Return, by political action committees and exempt homeowners' associations.  
Political action committees and exempt homeowners' associations that file Form 100 should not enter the minimum franchise tax on line 1 of the Tax Payment Worksheet.
- Form 199 Filers:**  
Generally, Form 199, California Exempt Organization Annual Information Return, requires a \$10 filing fee to be paid with the return on the original or extended due date.  
Use form FTB 3539 only if paying the fee early. Enter the amount of the fee on line 3 of the Tax Payment Worksheet.
- Form 109 Filers:**  
The due dates for filing Form 109, California Exempt Organization Business Income Return, depend on the type of organization filing the return. Employees' pension trusts and IRAs (including education IRAs) must file on or before the 15th day of the 4th month after the close of their taxable year. All other exempt organizations (except homeowners' associations and political organizations) must file on or before the 15th day of the 5th month after the close of their taxable year.

## TAX PAYMENT WORKSHEET FOR YOUR RECORDS

|   |   |   |    |
|---|---|---|----|
| 1 | Total tentative tax. Include alternative minimum tax if applicable. See instructions  | 1 | 00 |
| 2 | Estimated tax payments including prior year overpayment applied as a credit   | 2 | 00 |
| 3 | Tax Due. If line 2 is more than line 1, see instructions. If line 1 is more than line 2, subtract line 2 from line 1.<br>Enter the result here and on form FTB 3539 | 3 | 00 |

## How to Complete the Tax Payment Worksheet

Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25. If the corporation or exempt organization does not round, the FTB will disregard the cents. This helps process the return quickly and accurately.

### Line 1

Enter the total tentative tax, including the alternative minimum tax if applicable, for the taxable year.

- If filing Form 100, Form 100W, or Form 100S, and subject to franchise tax, the tentative tax may not be less than the minimum franchise tax and Qualified Subchapter S Subsidiary (QSub) annual tax (S corporations only).
- If filing Form 100, Form 100W, or Form 100S, and subject to income tax, enter the amount of tax. Corporations subject to the income tax do not pay the minimum franchise tax.
- If a corporation incorporates or qualifies to do business in California on or after January 1, 2000, the corporation will compute its tax liability for the first taxable year by multiplying its state net income by the appropriate tax rate and will not be subject to the minimum franchise tax. The corporation will become subject to minimum franchise tax beginning in its second taxable year.

- If filing Form 109, enter the amount of tax. Form 109 filers are not subject to the minimum franchise tax.
- If filing Form 199, use form FTB 3539 only if paying the filing fee of \$10 early. Skip line 1 and line 2, and enter the amount of the filing fee on line 3 of the Tax Payment Worksheet, and on form FTB 3539.

### Line 2

Enter the estimated tax payments, including prior year overpayment applied as a credit. S corporations include any QSub annual tax payments.

### Line 3

If the amount on line 2 is more than the amount on line 1, the payments and credits are more than the tentative tax. The corporation or exempt organization has no tax due. **Do Not Mail form FTB 3539.** The corporation or exempt organization will automatically qualify for an extension if the CA tax return is filed by the extended due date and the corporation or exempt organization is in good standing with the FTB and California SOS.

**Tax due.** If the amount on line 1 is more than the amount on line 2, then the corporation's or exempt organization's tentative tax is more than its payments and credits. The corporation or exempt organization has tax due. Subtract line 2 from line 1. Enter this amount on line 3 and on form FTB 3539.